



United Kingdom
Debt Management
Office

Minster Court
21 Mincing Lane
London
EC3R 7AG

T 020 7862 6500

www.dmo.gov.uk

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PRESS NOTICE

SYNDICATED LAUNCH OF £6.0 BILLION OF 3¾% TREASURY GILT 2038: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £6.0 billion (nominal) of 3¾% Treasury Gilt 2038 has been priced at £96.339 per £100 nominal, equating to a gross redemption yield of 4.0756%. The transaction will settle, and the first tranche of this gilt will be issued, on 9 November 2022.

Proceeds from today's transaction are expected to amount to approximately £5.8 billion (cash¹) and will take syndication proceeds this financial year to £15.8 billion. This represents the fourth transaction of the DMO's 2022-23 syndication programme, which is currently planned to raise £25.5 billion.

The UK domestic market provided the main support for the issue, taking around 88% of the allocation.

Commenting on the result, Sir Robert Stheeman, the Chief Executive of the DMO, said:

"Today has seen the launch of a new 2038 maturity gilt, which has been warmly received by the market. The success of this transaction demonstrates clearly the continuing resilience of the gilt market, the commitment of its participants and the welcome support we receive from our core investors."

Today's sale was the fourth in our syndication programme for 2022-23 and it was another smoothly executed transaction for which I express my gratitude to the Lead Managers. The syndication attracted a large and very high quality orderbook with strong interest expressed from our domestic "real money" community of investors. Given the volatile market conditions over the past few months, it is a welcome reminder of the strength of demand for our issuance.

¹ Figures in this press notice are in cash terms unless indicated otherwise.

The high degree of support and commitment we have seen from the market in today's transaction is very important to us and I very much look forward to it continuing in the period ahead, as we continue to seek to deliver successfully the government's financing programme."

NOTES TO EDITORS

The syndicated offering was lead managed by five Joint Bookrunners: Barclays, BofA Securities, Citi, Lloyds Bank Corporate Markets and Morgan Stanley. All other wholesale Gilt-edged Market Makers and TD Securities were appointed Co-Lead Managers. The composition of the syndicate was announced by the DMO on 28 October 2022.

The order book for the transaction was opened at 9.00am on 8 November 2022 with indicative price guidance for investors at a spread of 6.0 to 6.5 basis points (bp) above the yield on the reference gilt (1¾% Treasury Gilt 2037). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 6.0bp above the yield on the reference gilt (the tight end of the initial price guidance).

The book closed at 10.00am with 140 orders². The nominal size of the transaction was announced as £6.0 billion at 10.47am and the price was set at 12.22pm.

Proceeds from the transaction amount to approximately £5.8 billion and will take long conventional gilt sales for the financial year to date to £24.3 billion.

Total gilt sales for the financial year to date now amount to £86.4 billion, relative to the overall remit target of £193.9 billion.

This press notice will be appearing on the DMO's website at: www.dmo.gov.uk

² Total orders were £47.1 billion nominal.